

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

| Source of Funds | FY03 Adjusted Base | FY04 Recommended | % Change Over FY03 | FY05 Recommended | % Change Over FY04 |
|-----------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|
| TOTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

FULL-TIME EQUIVALENT POSITION SUMMARY

| Source of Funds | FY03 Adjusted Base | FY04 Recommended | FTE Change From FY03 | FY05 Recommended | FTE Change From FY04 |
|-----------------|-----------------------|---------------------|-------------------------|---------------------|-------------------------|
| TOTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

AGENCY DESCRIPTION

The authority is governed by a 12-member board of directors composed of public, legislative and ex officio members. Six public members are appointed by the Governor with the advice and consent of the Senate. The secretaries of the Departments of Commerce and Administration serve by virtue of their governmental positions. One senator and one representative of each party are appointed by their respective legislative houses.

The authority is organized into eight units: Administration, Asset Management, Community Development, Credit, Executive, Finance, Information Technology and Legal. The authority's functions include financing for home ownership and rental housing development, allocation of federal tax credits, special needs housing, small business loan guarantees, and various agricultural production and business financing.

MISSION

The mission of the authority is to serve Wisconsin residents and communities by working with others to provide creative financing resources and information to stimulate and preserve affordable housing, small businesses and agribusiness.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Facilitation of Construction

Goal: Make HOME loans to first-time home buyers under s. 234.59, Wisconsin Statutes.

Objective/Activity: Make \$250 million of HOME loans in fiscal year 2002-03. Future volume increases are dependent upon additional allocation of volume cap from the Department of Commerce.

Goal: Make multifamily loans for the development of affordable rental housing under s. 234.04, Wisconsin Statutes.

Objective/Activity: Make \$66 million of multifamily loans in fiscal year 2002-03.

Goal: Ensure adequate capital in support of all the authority's loan assets.

Objective/Activity: Continue building the capital ratio in fiscal years 2001-02, 2002-03 and beyond, anticipating that an increasing capital ratio will be necessary to preserve the authority's bond ratings and secure resources for both single family and multifamily financing.

Program 5: Wisconsin Development Loan Guarantees

Goal: Make loan guarantees for the development of small businesses and farms under ss. 234.83, 234.90, 234.907 and 234.91, Wisconsin Statutes.

Objective/Activity: Make \$18 million of small business and farm loan guarantees in fiscal year 2002-03. Future loan guarantee volume increases are dependent upon legislative action to increase funding through the Wisconsin Development Reserve Fund.

PERFORMANCE MEASURES

HISTORICAL DATA

| Prog. No. | Performance Measure | Actual 2000 |
|-----------|---------------------------------------|---------------|
| 1. | HOME loan volume. | \$231,000,000 |
| 1. | Multifamily loan closing volume. | \$47,737,000 |
| 1. | Capital ratio. | 10.6% |
| 5. | Small business loan guarantee volume. | \$21,000,000 |

Note: Based on fiscal year.

2001 AND 2002 GOALS AND ACTUALS

| Prog. No. | Performance Measure | Goal 2001 | Actual 2001 | Goal 2002 | Actual 2002 |
|-----------|---------------------------------------|---------------|---------------|---------------|---------------|
| 1. | HOME loan volume. | \$210,000,000 | \$211,700,000 | \$214,000,000 | \$232,000,000 |
| 1. | Multifamily loan closing volume. | \$54,000,000 | \$45,900,000 | \$55,080,000 | \$95,000,000 |
| 1. | Capital ratio. | 10.8% | 11.3% | 11% | 11.9% |
| 5. | Small business loan guarantee volume. | \$21,420,000 | \$16,500,000 | \$21,850,000 | \$14,700,000 |

Note: Based on fiscal year.

2003, 2004 AND 2005 GOALS

| Prog. No. | Performance Measure | Goal 2003 | Goal 2004 | Goal 2005 |
|--------------|---------------------------------------|---------------|---------------|---------------|
| 1. | HOME loan volume. | \$250,000,000 | \$250,000,000 | \$250,000,000 |
| 1. | Multifamily loan closing volume. | \$66,000,000 | \$70,000,000 | \$75,000,000 |
| 1. | Capital ratio. | 12.5% | 13.6% | 14% |
| 5. | Small business loan guarantee volume. | \$18,000,000 | \$18,000,000 | \$18,500,000 |

Note: Based on fiscal year.

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GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Board of Directors

1. Board of Directors

The Governor recommends adding the secretary of the Department of Agriculture, Trade and Consumer Protection to the authority's board to increase the authority's involvement in rural economic development and improve participation in the CROP, FARM and Agribusiness programs. The Governor recommends this expanded membership in place of a new separate rural finance authority.